

Closed Caption Log, Council Work Session, 08/18/10

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morning. I'm austin mayor lee leffingwell. A quorum is present, so I'll call this austin city council work session to order on wednesday, august 18, 2010 at 9:33:00 a.m. We're meeting in the boards and commissions room, austin city hall, 301 west 2nd street, austin, texas. And today we're going to be covering public safety, community services, development review and economic growth in three sections, so, council, if at all possible we'll have a break for q and a after each one of those three. We'll get the briefing on public safety, then q and a, community services and then q and a and then the last section. Of course if you have a burning question that needs immediate clarification, please feel free to ask it. So with that I'll turn it over to ed macanew for a brief introduction to this morning's briefing.

Thank you, mayor, members of the council. Today is our --

sorry I mispronounced your name.

That's quite okay, sir.

I'll get it right

there you go. Today will be the first of two budget work sessions to hear from our departments, duct r budget presentations from our departments budget presentations from our departments. As you mentioned we're trying to do them around three areas, first public safety service being the folks here at the table in front of you, public safety services, police, fire and ems. Following them will be community services department, library, human services and parks and recreation, and then we'll end the day with a presentation from our planning and development review department along with our economic growth and redevelopment services department. So primarily a general fund discussion today and next week we'll be talking more about our enterprise operations. You can see a little bit on our budget timeline, where we've come from and where we are today. August 18, our first two budget work sessions. We'll be back before council tomorrow with a public hearing on the budget. On august 25 and 26 we have another work session and another public hearing. We are slated to be before council september 13 through 15 for the three budget readings and approval of the budget. Tax rate hearings are scheduled for september 13 and the 23rd, and you can see the last item on the slide here, and you have the memorandum on this. We moved up the date by one day for adopting the tax rate to september 29, so that will be on a wednesday september 29 is when we'll come before council to adopt the tax rate. I'd also like to mention that on tomorrow's agenda is the item where we set the maximum tax rate, and to avoid any confusion that's not the same item as adopting the tax rate. That's part of the truth in taxation requirements where as part of the process council will come forward and set the maximum tax rate that they will consider during the tax rate and budget adoption proceedings. Staff is recommending that that maximum be set at the roll-back

tax rate, which as you know is not the tax rate we're proposing in the budget, but that is what we're recommending the maximum be set at for consideration and then we'll come back on the 29th with the item to actually approve the actual tax rate. So that's all I have, and I'm going to turn it over to assistant city manager McDONALD TO BEGIN THE Discussion of the public safety departments.

Good morning, mayor and council. Good morning, mayor and council. michael McDonald, assistant city manager over the public safety departments. We're pleased to present the public safety department's proposed budget highlights for fy 2011. The presenting department this morning will be from police chief ocevedo, from fire, and from emergency medical services, the director ernie rodriguez. I'd like to begin this morning by first reviewing some of the major accomplishments for fy 2010 before going into the fy 11th budget with the departments. The first area I'd like to talk about under the police department, one of our major accomplishments this year has been the modified police academy. As you know, there's certainly been a lot of discussion over the last couple years of filling officer vacancies and assure we have enough police officersn the street. In the last meet and confer coract w were able to achieve the ability for a modified academy, and basically what that does is gives the ability to hire experienced officers and get them out on the street pretty quick. You know, some examples of that is once we -- once a person is placed into the modified academy, they go through 17 weeks of training versus 8 months of training in a regular academy. Then the ride-along period, you know, for us to monitor the training that they've received, is 48 days versus three months. So it allows us to really maximize that experience and fill those vacancies as quick as possible, and we're certainly excited about the outcome. Another area in the police department is the in-car digital video cameras. This allows us to move away from the outdated vhs cameras that we have in place and move to those that are digital and that also have wireless capabilities, and through your -- through your assistance, you know, in a previous council meeting you've already approved the first phase of that to allow us to move forward. The first -- in fact, the first phase will begin january of this next year where we'll just be doing the testing of the actual product. That will take place for a couple of months, and then we would move into -- next spring move into actual implementation and then with our goal to have them fully implemented by the spring of 2012. In the fire department we received over 700,000 in grant awards focusing on firefighter and resident safety. One of the areas that we're certainly pleased with is a \$500,000 grant that we received for diesel extractions. This is certainly important to the fire fighters. As you know, some of our stations are small and the units are quite large and the diesel emissions can become pretty uncomfortable. This would allow us diesel extractions in each one of our -- each one of our fire stations. Another area that we sought grant awards was in the area of residential safety with regards to many of the fires that would respond to and residences are cooking-related. This allows us to work with residents on hazards associated with -- to increase safety in that particular area. Under the emergency medical services department implementation of electronic patient care reporting system. This allows -- allows us the capability to document patient care in the field, and it also allows for the -- for the -- for our technicians out there to have information readily at their fingertips, and it certainly assists us if it's a patient that we've already worked with before. And then also another area is increasing the reliability and the sustainability of our urban response time, and what the -- what ems has done here is created, similar to what police has done with stats, they've created op stats where they're on an ongoing basis reviewing their calls and if there are areas that we can make improvements, it's done pretty quick. And so we're certainly pleased with that. And then under our best-managed cities initiatives, under the police department, obtaining recognition as e of the safest cities in america using

crime reduction strategies and traffic safety initiatives, and i could tell you we're certainly on our way along those lines of achieving that goal. For example, this year violent crime is down 5.5%. 7%, and one of the areas that we're certainly pleased with is fatalities. They're down 35%. So, you know, to put that in real numbers, this time last year we had 42 fatalities, and we're down to 27 fatalities in august of this year. So we're certainly pleased with the enforcement efforts and the work that our citizens are doing in some of those areas to recognize that, you know, in heavy traffic congested areas and some of the other major thoroughfares, we're certainly noticing that the safety level is up. In the fire department, we're a national leader in the percent of fires confined to the room of origin, and basically what that means is our goal is to be able to respond to a fire that, you know, if it starts in a particular room, to get there before it exits that room, and that's particularly important in multifamily units, and our rate now is at 91% of the time we're actually getting to that room of origin, and that puts -- that's put us at number one under the international city management association standards, so we're number one in that particular area. And then under emergency medical services, development of the community health program, basically what that does is focuses on frequent and special-need user collaborates with other health care resources for patient services. And basically what that -- it prevents the number of 911 calls that ems is having to respond to patients that really need other types of services. Sometimes there's other social services, sometimes some preventive responses in working with those individuals prevents them from dialing 911 and tying up those lines, and we've tremendous strides along those lines and are pleased with the outcomes. So that's some of the accomplishment and best managed initiatives for this year. At this point I'd like to turn the presentation over to chief ocedo of the police department.

Thank you, chief McDONALD, MAYOR AND Council, good morning. Thanks for having us here, and manager ott, this is an exciting time of the year for us because we get our blueprint and hopefully soon we'll have our orders on what the checkbook will look like for the rest of the year. I want to thank the city manager and the budget office for their help, but i also want to acknowledge one of our assistant directors, alice sueder, who is in the back there, runs our financial services and don smith, our financial manager. Their major responsibility every year is to come in under budget and they've done that every year sinners they've been here, so I want to thank them and acknowledge them. Our budget this year is around \$266 million. The majority of our funds, as you-all know, comes from the general fund, which is approximately \$250 million. We anticipate about 4 million in renewal grants where we'll get some funding out of our federal and state partners. We also anticipate expense refunds totaling about 10.4 million. The expense refunds include departmental and interdepartment, to austin energy, austin water, about 1 million, in terms of homeland security measures that we perform for them and law enforcement services, grant reimbursement of 1 million, reimbursed over time 1.3 million. If you look over at the use of funds, the majority of our funds, over half of our budget, is expended specifically on our neighborhood-based policing programs, which include our patrol operations, our district representatives, which I'm very proud of that program stan knee started before I got here. It's one of the best models in the country. Laura morrison, coming from your old job, you can really rely on those folks to deal with issues. Our park operations, or patrol support services, such as neighborhood detectives and all of the other enforcement. The other portion of our fund is the other category, which is support services and transfers and requirements and things of that nature. The next slide you will see some of our cost drivers this year. \$7 Million will be for base personnel costs, which includes health insurance and benefits. The 3% base wage increase to 5 wage adjustment to the civilian, 1% requirement community, longevity pay, step increases,

and basically the things that are required under the meet and confer contract that we're currently in. I'm really excited that the budget includes a recommendation for 48 new officer positions that will be covered under the 7 million. The 48 officer positions will be starting an academy class in march that will graduate towards the end of the year, and we will be field training them after that for about two to three months before fully having them independent and functional out in the field. We also have funding -- for the additional 35 officers is only for a partial year at the cadet salary of 1.3 million. Additional costs in 1220 is to add additional -- is 2.3 million. We have started our discussion out of the 48 position was city manager OTT AND chief McDonald, is once those folks graduate at the end of the year and are fully trained at the beginning of next year, we're hoping to take some of those 48 positions, a good number of them which are 0 per thousand staffing formula, to start beefing up our investigative functions, and next year we will be looking, based on the data we're gathering now, to change some of those 48 positions into detectives so we can do even a better job of solving crime. The additional funding also, you'll notice there in the justification realignment of base personnel costs based upon expenditure trends, I'm proud of the fact that our department for the last three years has come in within budget. We've been very frugal in the way we run our operation and we've been able to sustain budget savings now for about three years, and what we are doing this year is that we've actually true-upped the budget. Instead of \$10 million cost, it would have been 14 1/2 million cost to achieve this. We're seeing about 4 1/2 million as a result of hard work of our staff in maintaining those savings and I think we'll be able to continue that without any challenge, I think we can get it done. Our men and women are also able to do more and we're proud of them. Departmental costs, 48 new positions, two new civilian positions, one transferred fte. The center for child protection that I can't think of anything more important than taking care of abused children, will now have funding for staff support there. They're going to need -- we have all of our different partners housed in the same location, and I know you've all been out there and seen it. It is something that I think is the envy of the rest of the nation because it's the best in the country, and we're proud of having that done. We also have the jail contract obviously, the costs have gone up this year, and we also anticipate increase in costs funds, based on savings the last few years. Some of our budget highlights include the public safety joint training facility that's due to open november 2010. We're excited to be out there with the fire department, ems and -- to see the new academy or the improved academy opening with a new evoc room, 11 training rooms and it will really position us for growth in all three public safety departments as we move forward. The digital cameras installed in the patrol cars, I was on vacation, but I was watching you-all on the internet, and I just want to again -- I know I sent everybody a little text message I hope they got through from hawaii, but again, on behalf of our men and women and the community we serve, we want to thank the city -- did you get them? The city manager -- and you, mayor and council for --

for that funding.

No, I used miles, all miles, it didn't cost any money. But I really want to thank you from all of us. It's a tremendous step forward. You're positioning us moving forward for success and positioning us to build on the trust that we enjoy in the community and I just can't say enough about the leadership in this room for making that happen. Also, as you know, we have this the deployment of public safety cameras is something that we've been working on, the downtown alliance and other neighborhood groups, including north austin and other parts of the city, high crime areas, we want to see public safety cameras and technology being leveraged to keep austin one of the safest cities in the country, and leveraging

technology to contain costs, because we can hire a lot of police officers, that we know is very expensive but we can leverage technology anticipate ruling out the public safety cameras next year hopefully. Our policy is being presented to the public safety commission and we'll be coming to you in the september 23 council meeting with the proposal to rule them out in the -- roll them out in the downtown area and we're looking forward to that. The other highlight that i want to really share with you-all is the new evidence warehouse in 2008, i believe, city manager, ott, when you got here, early 2008, one of the first things we did was I asked him to come and look at our evidence warehouse. It was a recipe for some problems. It was somewhat antiquated. We didn't have the room, the space for the security, and we're excited that in fiscal year 2010 we purchased with a scheduled move in the fall of this year a brand-new evidence warehouse, which is twice the size, which will allow us to put all the evidence in one central location with the security that is really required to maintain the custody, the chain of custody and the security of that evidence, and also it will lead to some real efficiencies in our evidence operation. So again, we're really excited about that, we were able to accomplish that, and again, we thank you all for that. The next slide here, our goals in 2011 are again maintaining proactive ways to reduce crime, to keep this one of the greatest safe he is cities to live in. When you think about austin, when I go around the country, I'm proud to say I'm from austin, it's the greatest place to live, great place to work, grow a family, raise a family, and it's a great place to conduct business. But we'll continue to use com stat, rapid response, 48 officers, we'll continue to focus on rapid response strategies, to really look at any trend -- any emerging threats, and council member spelman came to one of our com stats and we appreciate you being there, but he got a chance to see that data, how we use the rapid response teams, to really nip crime in the bud before it spreads through a neighborhood, and through those 48 officers we'll be able to continue to do that. And so our intelligence in policing efforts are going to continue to grow. We're excited about the austin regional intelligence center. It was truly a partnership between department, city manager's office, mayor and council and the community and privacy groups, I really believe we are establishing the best one in the country and we're going to be the model for the rest of the country. And obviously we're going to really work on the offenders apprehension program, focus our efforts on the worst of the worst in terms of repeat offenders in conjunction and partnership with our federal, state and local partners and with the district attorney's office. I've had some really good conversations with district attorney rosemary lumberg. We're going to increase training in the mobile use force system, that again, we're the first department in the nation that has this trailer, that we're ready to roll. It's ready to go. The scenarios have been filmed and we're going to be sending you an invitation to come out to this, and after that the community and community leaders to come out, because this system will allow us not just to work on marksmanship, but our officers on a regular ongoing basis will be going through scenarios with live fire, live video that will not only be marksmanship but critical thinking skills, where we'll be able to gauge the critical thinking in these incidents that are i hope there, and we'll be able to identify -- that are up there, and we'll be able to identify problems before they manifest in the field and we're excited about that. And again, that's part of being a best man city and one of the first in the nation. So we'll be rolling that out and we'll be bringing it to you. We've also developed a revised department-wide staffing plan. It's -- our staffing plan is a living document, living process, it continues, it's an ongoing process, we are reviewing our existing specialized units to see if an have outlived their usefulness and to sunset them. We're continuing to expand our night patrol shifts. We're continuing to expand paroles based on calls. We're looking to streamline our bureaus which will make us much more effective. We're also looking at the cops grant. Two years ago we put in for it. We were disappointed because for the -- world it's hard to justify 50 more cops and those other

needs but this year we're hopeful in september we'll get used on the 50 cop grant positions from the federal government, from the obama administration and we're grateful to get those in addition to the 48. And the close internal public safety assessment that happened in 2006-2007, mgt conducted an audit of the department. I'm very proud to say there was recommendations a and we've been carrying them out and by the end of this fiscal year every one of those recommendations will be implemented, not to mention the 135 recommendations from the department of justice. We were proud that we have done a lot in a very short period of time with your support to make this department the best in the country. And with that I just again want to thank you and thank everybody in here for their leadership and support. thank you, chief. Fire department next, huh?

Yes, it is. Good morning. And I will try to stay in the time limits. may I have this too?

We have a lot to brag about this morning. Sorry. not much competition for that, I'm sure.

But I do want to say thank you, you know, I want to reiterate what chief os ocededo said in regard to the mayor and the council, city manager and chief McDONALD FOR HELPING US BE Successful throughout the past year and to help us continue to be successful and become the best fire department in the country, and that is the vision and that's where we are headed. We're already one of the best, so we just are continuing to strive for that excellence. The -- as with the police department, the sources of our funds primarily come from the general fund. There's a small part that's a reimbursement that comes from the aviation department, and then -- and that's for fire protection out there at the airport, and then we have some expense refunds, and those are things such as reimbursement for deployments that we do. There are also contracts that we have executed, for example, with sunset valley. The use of our funds, again, is -- there's not much difference between any one of the three departments. Primarily the largest portion of that budget is expended for emergency response, and then the whole rest of the budget is in support of that, so we have the fire prevention or emergency prevention area, the support services, operation support, transfers and other requests such as commodities and things that help support all the stations and the fleet and fuel. The general fund cost drivers, again, there's not a whole lot of difference. At 5.6 million. A good portion of that is obligation to the collective bargaining agreement that was just executed and ratified this past year. 5% Civilian wage adjustments. There are also the health insurance increases that we all are facing. The sworn members receive a 3% base wage increase and a 1% pension increase. The -- the sworn longevity increases are also a driver, a cost driver, and then other departmental costs, you'll see that it's .3 million, but the thing to realize here is that the -- 9 is only a net change. The total cost for all of these additional processes, particularly the hiring process and the training costs, are offset by the salary savings that we've been able to realize in this past year, and just as a point of information we are currently at 80 vacancies, so we've had higher than usual retirement this past year. The other cost, of course, is the ten additional firefighters, and at this time I really do want to acknowledge the city manager for helping make that possible, and I'm going to thank the council in advance for approving those ten additional firefighters, but those ten additional firefighters is going to help us achieve our four-person staffing. The annualized cost for opening of the new fire station, avery ranch, davis springs, the other driver is increase in maintenance and fuel cost for all the fire apparatus, of which there are currently 250 pieces of rolling stock that are out on the street any given day. Certification fees and on call statements, and every one of the 1,074 firefighters, we have two certifications that have to be maintained, and they

have to be -- not only with continuing education units, but they have to be paid for every two years, and that's their texas commission on fire protection firefighter certification and their emt, or emergency medical technician certification too. Our budget highlights, as i mentioned, the ten new firefighter positions. I do think it's important to realize that we will have -- if we put the ten new firefighters in, that brings two more units up to four-person staffing and that will leave three of the remaining ladder units at three-person staffing. So with those ten additional firefighters that brings us to the 2013 goal on the council resolution. And we did mention that we're going to be opening station 45, and that will serve the avery ranch, davis springs area. There were several grants that we were the recipients of. There were three emergency prevention programs. One of those is the juvenile intervention fire program, and that's to prevent juvenile fire setters from either continuing or even starting. The other, as chief McDONALD MENTIONED, HAD TO Do with cooking fires, and we want to be sure that since that's one of our primary causes of fires in residential areas, we want to be sure that we can educate the public and change those behaviors so we have less fires in residences. The other grant was the exhaust extraction systems for all of the fire stations, and it's something that we've wanted to do for a number of years, and I'm just very pleased that we're able to do it in this calendar year. We have a little less than a year, really, now to complete that program, and diesel exhaust has shown that it increases the chances for lung cancer by almost 200%, so we're just really thrilled that we can increase and better serve our firefighters with their health and safety. Then finally I'd just like to make a note that we were not selected for the safer grant, and the safer grant is the fire side of the cops grant and it's for staffing purposes. We had asked for 25 positions. We were not successful, as we expected, the major portion of the grant awards went to fire departments that were rehiring firefighters that had been laid off due to the economy. The safer grant for this next year, for the 2011 year, has just opened -- or 2010 year, I'm sorry, has just opened this week, and we plan to make application for a minimum of 15 positions, and that would bring us up to -- if we're awarded that grant, then that would finish out the council resolution with those positions. Some of our budget highlights, we had \$550,000 for phase 5 construction of the gender neutral fire station renovations. Since 2003 the city has invested \$4 million to make all of our fire stations gender neutral. There are 11 stations in the renovations that are complete. Phase 4, which we are currently in, are seven stations and the construction has already begun. You may have noticed it at some stations that you have driven by. Phase 5, which is the funding that is in this budget highlight will take care of six additional stations, and then the final phase, phase 6, has six remaining stations, and those are going to be our most challenging. Those stations are anywhere from 54 to 82 years old. And if you've ever done a renovation or a remodel project, you know how challenging it can be when the building is older. So that's - those will be our most challenging. There is also an additional over \$435,000 for one-time capital expenditures, and that's to help us meet state curriculum training requirements. Previously when we had cadets in school and we needed the self-contained breathing apparatus we'd have to borrow off of fire apparatus that are in service, and we had some spares, but it always put a strain on us. So we now are going to be able to purchase self-contained breathing apparatus that will be used exclusively for the training in that program, and there's several other capital purchases that we are buying tools and -- tools and equipment that we're buying that will be kept just at training for the purpose of training instead of taking them off fire apparatus and then having them out of service at that time. There is a decrease in funding for the lbj high school fire academy program, and again, I want to reassure everyone that there are currently a junior and senior class, and we're committed to making sure that both those classes have the opportunity to finish out the program, and during this two-year phase we will also work with aid in the

program. We think it's a terrific program, has a great deal of value to the students and to the community, but never have we been able to capitalize on the purpose of it, which was recruitment. The same thing for the esd 4 training academy. There was an elimination of the \$33,000 of annual support for that program, and just as a point of note, that since 2001 the city has invested \$315,000 into the esd4 training academy, and we have hired three individuals from that program, and of the three, only one person remains. The majority of the graduates have either been hired by some of the other emergency service districts or by the houston fire department. And I think one other thing too I'd like to mention, is during the collective bargaining negotiation process we did put on the table for some discussion was how could we capitalize on lbj hospital fire academy, how could we capitalize on the esd program and bring those people in as firefighters in an internship program, so to say, and it never really got beyond that discussion stage. We never really got it off the table. Our major goals, first of all, and we are currently in the process of doing this, and we are -- next week we'll be rolling out the whole marketing plan, but we implement a professionally developed recruiting strategy targeting both the traditional and the lateral fire candidates, and yesterday during the day we had training for some of our recruiters, and there's a great deal of excitement amongst all of the recruiters in the department about, you know, opportunity and the marketing strategy and what's going on in the organization, so we're really excited about that. We will be implementing the new employment process that has been designed by an outside vendor, and that's per the collective bargaining agreement, and we will be coming to council with the authorization to execute the contract on thursday, tomorrow. We plan to hire and train over 100 cadets, and as i mentioned to you, that we currently have 80 vacancies, and with the 10 additional firefighter positions, that would make 90, and, you know, we have vacancies coming and retirements coming up at a much higher rate than we've had previously and do not have a reason or answer why. It just -- I guess it's people's time and they're just deciding to leave. But much higher rate than we've had previously. One of our major goals is do your part zero fire death initiative, and we're just sort of starting on this, but it is -- and I'm happy to say that currently to the year we do not have a single fire death in the city of austin, and I would like to make sure that that happens and continues, and that it will be through things such as awareness, education and ultimately things like -- and we want to create -- let me backtrack, and this is the one place where I am going to expound a little bit. We want to create a 50 1c 3 foundation that will be sustaining that we can continue to use for community engagement, and one of those things would be security bars. I know every single person in this room has driven by a building, or been in a building, that has security bars on it. Many times you cannot make access to those -- to the room without a great deal of trouble, and -- or you can't get out from the inside. They're not quick release. So a program that this foundation could support that would be part of the fire department's foundation that would be part of the zero fire deaths initiative would be to remove all the ones that are currently in existence and replace them with ones that are easy release and that we can make access to from the outside. So that's just an example of where I see this going, and it's -- you know, it's a vision and it's in the future, but it's certainly part of our 2011 major goals. The other major goal is that the 100% of those fire stations are going to have the -- what we -- air quality control or the diesel exhaust extractors, and the lockerroom project, we're going to complete phase 4 and we'll begin the construction of phase 5, and then finally, we are going to be pleased to occupy the new joint public safety training center along with police and ems. So again, I'd like to thank you for your time today and your attention, and I'd also like to acknowledge one other person in the room, and that's amy singer, and she is our assistant director for administrative services and works tirelessly on many projects

and many responsibilities, but primarily keeps us in line and helps us with the budget and the financial aspect of the austin fire department. So thank you.

Good morning.

There you go.

I'm on now. Very good. Just so you know, I'm operating under two directions. One is that I can't make them look bad. I have to hold it back, and the other is I was promised a cookie if I'm quick. So those are the two things I'm working under. good morning. Thank you for the time that you're giving us to talk to you about our budgets. I think sometimes you don't know how important it is for us to have the opportunity to sit here and just talk to you for a little bit about what we're doing. I'd also like to acknowledge a couple folks, jaim lamar, chief of staff, john rostin behind him. These are the superstars that make this work. I'm blessed to have them working with me and it's an honor. Let's talk a little about our source of funds. We are funded from the general fund. 99% Of our income comes from there. We do have some expense refunds, which are things that we receive from other departments for services, and a few grants that we get, and examples of the grants are the trauma grant that we get. We use some of those funds to help support some of the analytical tools that we need to make sure that we're doing a good job in all factors of care, and also we received a local project grant to expand our community cpr training program. One of the biggest impacts that we can make in our community is to have our community trained in cpr, because they become the first responders, and fast cpr in an emergency is the fastest and most reliable way to improve survivability. So if we look at our use of funds, you can see that about 79% of all of our cost are directed towards our emergency response. And about 8% are directed towards continuing education of our paramedics. That's a critical function for us. The competency and the quality of care that we provide is all dependent on how well that we continue our education of our personnel. And about 13% of our expenses go towards revenue generation, creating the billing system that we have to generate some revenues. And we receive right now -- and this is not on the slide -- about 7 million in revenue from our billing process. We also receive 6 million in subsidy from the county, which comes into the city as revenue as well. So although our budget is 6 million, we bring into the general fund 26.3 million. So that leaves a net of 20.3 million. And that's what we're talking about when we're talking about the funding of ems. Let's look at some of the cost drivers. The first one we have in base personnel costs, an increase of about 1 million, which is to cover health insurance and civilian wage adjustments and 3% increase for our employees that are covered under our meet and confer contract, and we're also adding back the funding that was targeted to the fur low program, which didn't come about. In the other departmental costs we have an estimated 7 million, and that is a net. There are some increases and some decreases that are included on your list. The increases are 12 new paramedics for the avery station, which is under construction now. We have 1 paramedics for the school unit and we have 6 paramedics for the harris branch unit and we also have personnel savings that are based on the actual needs. What we do there is anytime there's a delay in actually hiring folks and getting them on-line, we actually include that savings in our savings target. We have contract yuls and commodities for the three units we're adding, that includes stretchers and equipment and all supplies that it takes to bring them into full service. We'll see some increase in fuel costs and maintenance costs in the next year. We're also going to be eliminating some of the tuition reimbursement programs that we had earmarked for the austin community college program.

We're not fully using that program so we're not going to use all of the reimbursement, so we'll return some of that. We're going to be eliminating two and a half fte medic positions. What we've been doing is we did a shift schedule change in our communications department. We went from a 40-hour week to a 42 hour week. We have kept those positions vacant in order to be able to afford the cost of that new schedule. That new schedule returned to us the equivalent of two FTEs, SO WE'RE GIVING UP Those positions but we're funding the schedule, and we're moving in that direction. Also we're looking at some decreases that come from debts that are paid off, so we're not going to have to -- need that money in the future so that we're cutting that as well in our cost drivers. Budget highlights. Again, we're looking at funding for two new full-time ems units and one demand unit. The avery station we plan to staff 24 hours a day. The harris glen station we plan to staff 24 hours a day, and the harris branch station is a demand unit for 12 hours a day coverage. Again, as I said before, that includes a 3% base wage increase for our meet and confer employees and two and a half percent for all others. We're looking at the elimination of two vacant comp. positions. I want to reassure you that that won't impact our ability to provide services because we gained back the hours in the schedule. And we're looking at some capital replacement items that include funding for stair chairs and stretchers. And while that may seem like a routine purchase, the stair chairs and the stretchers that we're buying are of a better quality and provide better support for the medics. We significantly reduced the number of injuries that we've experienced in the past from injuries that are related to lifting stair chairs and stretchers, so we pay a little bit more for these items, but it's reduced our time out of work, our hours out of work due to injuries by about a thousand hours, so that's pretty significant. Not even to mention the quality of life, medics have reduced risk. For our major goals we're going to continue to improve on the reliability of our response time in the urban area, but not just that, also in suburban areas. We've already made significant strides in both areas, and we've done it with at the same time cost savings. So we're experiencing some major improvements there. And a lot of that has to do with the technique and the monitoring that we're doing to achieve that. We're going to be completing the self-study phase of the commission on accreditation of ambulance services self-study, so what that means is we're going to be going through and doing a self-evaluation against the national benchmark and working towards that accreditation. We're looking at training of employees through our developmental academy program. What we've created there is a grassroots recruitment program, and we're looking at trying to attract people from our community into ems to take part in some of these careers that we provide. City of austin provides excellent benefits and excellent programs -- and an excellent ems system, and we want to get people in it. We want people from our own community to come in and participate in that. We're also looking at continued development of our community health paramedic program, and what that is is we've got many callers that we got -- we've looked back at about a two-year period and discovered that a small group of callers who frequently use ems to access the health care system cost the system about \$8 million. And so what we're looking at is a better way to provide the services that they need in a different way, connect them to the health care services that would serve them better and try to navigate them into the right area of health care instead of relying on the 911 system to be their entry point for health care. And we're also launching a collaborative network for ems agencies to develop strategic improvement processes. One of the struggles that we've had in our organization is it's very difficult in ems and the industry, period, to benchmark with other organizations. That is just not organized well in ems. And ems is relatively young compared to fire and police systems. So the benchmarking process is very difficult. So what we've decided to do is to take the bull by the horns and begin to develop a collaborative network that can begin to grow the benchmark processes that are needed to improve the industry. I'll

answer questions if you have any. thank you. I've got just a couple of real quick questions. 48 New officers, chief. How many of those, if any, are retreads or officers who are already certified police officers?

We have, mayor, right now currently we have 25 officers in the academy that are going through the modified class. Next year we're doing analysis. Part of those 48 will be that 25 -- we're funding those 25 now with savings from this year's budget that we were able to find in support of the budget, we were able to find them. So 25 of those will be these guys, and then next year as we go through the year, we're going to look to see if we can do another modified class sometime next year and use some type of savings, if we can achieve it. So 25 of them will be from this class. can you quantify a cost savings for that? If you can't, you can get it to me later.

We'll get it to you, sir, because when you look at the savings in terms of training and the field training, there is some savings, and the overtime and things of that nature, so we'll get it to you. the course is about what, half length?

It's half a length, yes, sir. so obviously intuitively there are savings, but you'll get that to me later.

Yes, sir. and kind of along the same lines, chief kerr, I know that in your recruitment efforts you're looking at a lot of people who are already firefighters in other departments all around the country. Have we developed a modified training program that could result in cost savings for firefighters who are already qualified firefighters?

The answer to that is yes. The training program for the lateral hires or those that have been certified is about half the time. Instead of six months it would be three months, about 12 weeks, the time frame. So out on the street quicker, you know, using them more rapidly, so there is a cost saving. I don't have what that would be, but I could certainly get that number to you if you'd like. yeah, I'd like to have the number because if memory serves, that was actually a collective bargaining initiative in 2008, so we paid for that and we'd like to see how much we're getting for it. Quick question for ems. And -- let's see. 2 Million in general fund revenues. Did I understand you correctly to say that includes fees that you collect for the service you give out?

Yes, that's right. We do charge for our services. As an ems organization we're a licensed ems health care provider, so that allows us to bill medicare, medicaid, private insurance.

Mayor leffingwell: right. I understand. But the money you draw out of the general fund then to fund ems is actually less than what you're showing; is that correct?

We draw the full amount out of the general fund and then we return in revenues to the general fund. yeah, 20 million, so the actual cost of ems services is 20 million less than what it shows here.

20 Million. and then the last question is, i know a couple of years ago ems got, I believe it was three motorcycles.

Yes, we got two motorcycles and a --

mayor leffingwell: two. How has that program been going and do you plan to increase it?

We do want to increase it. The program is working excellently. The primary premise on which we took that on was when we looked at the accidents that are happening on major thoroughfares, primarily 35, 183, we found that 75% of the time ambulances were not necessary. And we were getting our ambulances trapped in traffic. Once you get on those roads you can't get off. So we thought we wanted to use those vehicles for rapid response in those communities. The other advantage that it's giving us is in the downtown areas, where it's difficult to get around, especially during special events. So we use them heavily during that time. We had -- give you an example, we had one situation where we had some dignitaries in town and we had a situation that occurred in a neighborhood that's very difficult to get into because of the narrow streets, and then with all of the traffic it was almost impossible to get in. Motorcycles got in there in no time. They're excellent and we do want to expand it by two. yeah, it's a good program, i think, also. I just want to point out two things. First, those motorcycles were donated by the greater austin crime commission, and I want to thank them for that. It's a very good service that they perform, and the second thing is that I do have a motorcycle license.

ride them together. try it out sometime.

Look, kid, you landed in lady bird lake.

Mayor? mayor pro tem.

Martinez: thank you. I have a few follow-up questions as well. I want to go specifically back to fire chief kerr, and the mayor asked a about -- and we know we're moving forward with the modified academy. Do we anticipate any of the budget hires to be through the modified process or is it all going to be, you know, just --

traditional hire. No, we are hopeful that a portion of those will be the lateral hire program. You know, it's very difficult to anticipate or project, but we're projecting probably 400 applicants from the lateral hire and 4,000 applicants from the traditional hire. And so we've been working very diligently with vendor, and of course we can't do any final discussion until after the contract is executed as to how that will work and how we'll be able to execute that within the guidelines of the law, but we are hopeful to be able to hire a number of people from the lateral hire because that will get them out on the street quicker. of the 9 million in cost drivers that is listed, how much of that was reduced -- let me phrase this -- you cite vacancy savings to help contain that cost, so how much is realized in vacancy savings so that it only costs 5.9 million?

I don't know the answer to that question, but I will get it to you. and here's the reason I ask this, because - it's probably a substantial number. You list 80 vacancies. We generally average 50 k per fte, so just simple math, 80 times 50 k and you back that number out. But the reason I bring it up is because earlier this year when we had an agenda item that we were seeking more input on and we asked to postpone it

for a month, 30 days, to go to the public safety commission, what we were told at that time was that postponing it would cost \$300,000 a month in overtime because we'd delay a cadet class. How do we now use vacancy savings to fill a budget gap, that then I was told, and this council was told, if you postpone this item it's going to cost you \$300,000 a month.

Because it still does cost us overtime. When we have a vacancy we have to backfill it with overtime. We don't have the opportunity to leave that position unfilled. You know, we still have to do the staffing. So it still costs us that overtime, but there's -- the point is, is that generally speaking, the folks that are retiring are at your higher salary, and so the overtime is being paid at a lower rate than it would have been paid for the employee that was in that position. so there really is no cost. It's an actual savings to pay overtime because it's less than what you pay a full-time employee?

Well -- no, it's not. It still costs us. There's a cost -- sure, there's an overtime cost but the cost for a employee would be more.

The cost for a full-time employee would be more but we're at the point that as the longevity increases, the lower-paid employee is now moving up into the higher class as well.

Martinez: I understand. What was the -- what was the feedback on the safer grant application request? Do they give you a reason like why they don't select us or what can we do better next time?

They do not. You know, we will seek some information in obviously the very near future. The safer grant closes september 17. Just opened, closes on the 17th. so we're replying for 15?

15. And one thing that is interesting to notice, that there are two phases to the safer grant, and we did make it through the first phase but we did not make it through the second, and again, primarily I would say that the main reason that i was told, you know, through other sources was certainly that the majority of the grants were going to rehire these folks that departments had laid off. what percentage of the actual statement is that in terms of recovery?

It's about 50%. We have a 50% collection rate right now and for emergency services that's really good. Most peers are in the 30 to 40% and we're maintaining 50%. We're revisiting our entire building system since we added the new electronic patient record, now we're transferring to billing electronically which is shortening the time to process the bill and we're also looking at all the steps to make sure year not missing anything.

Martinez: Then the last question for you, ernie, is what -- when you talk about a 6 million payment from the county, which is arguably a quarter of your overall budget, what is the percentage of call volume outside of the city limits?

You know what, I don't have that in my head but I can get that for you.

Martinez: I want to compare apples to apples.

I'll get that for you.

Martinez: Thank you. Thank you, mayor.

Mayor?

Mayor Leffingwell: Councilmember.

Cole: Cole first of all, I want to thank chief McDONALD AND CHIEF AUCEVADA And congratulate out the cameras. Historically we've had issues between the police and receiver areas of the city and trust and I think that will help establish that trust and promote that not only by documenting what happens with respect to with what is it sense think from police, but also what law enforcement expects of citizens. Now, with that in mind, I want to focus on your neighborhood based policing. I was real curious about the district representatives, how many you have. You might have to provide this later. What neighborhoods they are in and exactly what they do.

In terms of the total number, councilwoman, i couldn't give it off the top of my head but I can get you that very quickly after i leave here today unless alice wants to send some text messages while we're here. Every neighborhood group knows their district representative and the reason I know that is because every district representative isn't doing a job, I hear from the neighborhood group. So we have them out there and out of that 48, once we look at our investigative needs because our very first job is to prevent, deter and solve crime. The other piece that we're looking at with that 48 is going to be the d.r. program. It is a very good program. We'll get you that number.

Cole: Okay, so when you talk about that one of your goals is to maintain proactive initiatives to reduce crime, i guess I'm wondering because of several of the issues that have happened since I've been on council, if we need to look into some best practices in other communities for -- and I'm not sure if this is a potential community liaison in the police monitor's office or if this is an expanded role of a district representative, but I would like to [inaudible].

Okay.

Cole: Let me ask you about the center for child protection funding. I remember when that opened and I gave a small little speech there. When we talk about the abused children in that facility, do you have any idea what age group?

It's up to 17, and it is -- from infant all the way up to 17. It not only protects the children, it protects the families. We conduct the interviews in a very safe environment for the families.

Cole: Now, that is a public-private partnership, isn't it? Don't we actually get private funding for that.

Yes.

Cole: And does the county participate in that?

Yes.

Cole: I believe that is an excellent program and i would like to talk more about that. I think I have one question, ernie, about the e.m.s. I notice that you talked about tuition reimbursement. Can you tell me more about that program?

We switched to our new schedule, 48-hour schedule that we're using now. We had to add a number of positions, something like 48 positions and so we went into a very aggressive recruitment process. That included including students from acc before they were completely finished with their program. So when we hired them earlier before they graduated, we would pay for a portion of their tuition. We're not using that program as aggressively as we were, say two years ago, so we've got some savings that we're not -- that we're not having to use that tuition reimbursement as much so we're returning that.

Cole: How much is it?

Can you -- is it a lot or --.

Yeah, we do know. We just went over it.

Cole: That's okay, the real point that I wanted to make is that when you describe the program, it sounded very good, and I thought it was basically in keeping with can chief's goals with moving people up the economic ladder. And so there are other departments besides e.m.s. That I think could potentially use those funds for recruitment, like fire and police. And so I just wanted to put that on the table to potentially brainstorm.

We still have a program called the developmental academy, and there are portions of that that we're still continuing on with. This was just a portion that from the time span that we have to work in we know we're just not going to be able to use so that's why we're reducing that.

Cole: Just in terms of long-term planning.

Yes.

Cole: Thank you.

Mayor Leffingwell: Councilmember morrison.

Morrison: Thank you. One question. I wanted to highlight the community health program that you referenced and I think it's really in line with a couple things that have been mentioned. The mayor mentioned the motorcycle investment and how that really brings us a return and the wellness center and the fire department. And I wonder if you could expound on it a little bit. Tell me what the status is. Have we already instituted and began working on some things and also what carolina of investment in terms of the amount of -- kind of investment in terms of amount of dollars we expect to put in this.

Right now we're in the very early stages. We have one paramedic captain who is assigned to do that function. He's handling probably a dozen cases right now. Which is more already than one person can handle. What we're anticipating is that we'll grow that -- that program to the size where we have one commander, one captain and three paramedics. That would be the total compliment that we would actually staff who to. The cost of doing that is significantly less than what we're expending on providing the services now. Currently we are connected t between eight and ten, I'm not sure exactly and I can get you a list if you want, connected to a variety of community partners already where we meet with them and we discuss specific patients, specific care plans, and then we communicate that back to our paramedics so they know how to care for particular individuals if they happen to call for an ambulance.

Morrison: Are we actually reaching out and contacting these patients and saying we'll work directly with you?

Yes. We go to helmets and do assessment to try to figure their needs and come back to collaborate with the other groups to see what can each of us provide better. And it's a -- it's very intense work, but it's very rewarding. We had one situation where we were able to have a person placed in a specific home that was able to take care of their special needs that that person never would have found if it hadn't been for that contact. We had one person who were able to reput into contact with their families and relocate them back with their families. They had gotten lost. One of the things that we find oftentimes is that we have a combination of situations. You have drug abuse, alcoholism and mental illness. And people like that can very easily get lost and they rely on emergency services to provide their care. So when we identify those, we try to reconnect them back to the points where they've got some support.

Morrison: I congratulate you on that because I think that's terrific, and I think it will be interesting in the coming years we can actually do some measures of how the frequent users of the -- of e.m.s. have decreased. Thank you.

Mayor Leffingwell: Councilmember spelman.

Spelman: Mayor, I'd like to apologize to people who heard a scratchy side, apparently my phone was too close to the mic. I now know -- another thing i have to keep in mind.

How long did that take?

Mayor Leffingwell: We've all been there, councilmember.

Spelman: Fortunately I am sitting next to councilmember morrison who can remind me even if I never figure it out for myself. She can tell me what to do. good point. It's interesting we're starting with public safety because we have three departments here who all of which are among the best in the united states. I've been hearing for years, for over a decade at least about how terrific our e.m.s. System is. I have only hearing the national leader in a nationally used performance measure which is obviously important to public safety as confining to the room of origin I think is terrific and the granddaddy of all is the crime rate so I appreciate all you are doing to keep us as safe as we are in one of the safest cities in the united

states. We're also talking in this budget about increasing public safety funding by 6.5%. And the primary cost driver in all three cases is more people. And so I've got one question for all three of you. And I'll start, Ernie, with you, because you are on the left and it's easier to go left to right. The primary cost driver is the funding is 30 new paramedics and there's a just amount. But the primary reason why the numbers are higher for the next year is 30 new paramedics. That's two new stations and full-time staffing at the Harris branch station as I understand it, right?

Right.

Spelman: And the question I have is can you explain how it is that 30 new paramedics is going to make us safer and about how much safer can we expect to be.

Well, I think one of the primary impacts that we're going to see, what we're doing right now, when we have the Harris Glenn and Harris Branch stations, those were previously objected by county units. That meant counties were receiving little to no service. Immediately by moving personnel out from those stations into those suburban communities, that's an immediate life impact right there. Then the second challenge that we were presented with in this scenario that left two huge holes in the city. Those Harris Glenn, we call them the Harrises, when you look at them combined is a huge -- years ago when those were first put there, there was very little population there, but now they represent some of the busiest areas in the city. So it's critical that we provide those services out there. Unfortunately, we're doing it with overtime, which is very expensive. And also we're doing it in an unplanned fashion. So we're using personnel that we didn't plan to be using to the degree that we're using them to cover those stations. My fear there is that if we continue to push our staff to that level of work, we're going to actually promote turnover, mistakes, injuries. We're going to promote turnover. And that's what we don't want to do. All of those ultimately have a detrimental impact on survival and care that our community receives. So we will see a direct impact to having those stations appropriately staffed. The Avery station is new. It's early in the development and the population is beginning to grow. While the population now isn't creating a huge load for, we can see it beginning to grow. I would say that in a year, year and a half, we'll be behind. So it's important to stay ahead of that growing part of the community.

Spelman: Of course all these stations will be available for dispatch whenever they are the closest.

Absolutely.

Spelman: About what percentage of the time do you expect that these -- these units are going to be on their way to a call or servicing a call?

Well, right now a typical unit in a 12-hour period is going to respond to about 10 calls. So most of the time they are busy. We have a workload measure that's a ratio of amount of time that you are in service versus how much you are actually deployed to a call. Right now that's over 50% of the time. So the down time that we have, we call down time, that -- you might be at the garage getting a vehicle fixed or something during that down time, but the time when they are not on a call is about half of the time. The other thing

that we do in our system is we avoid being overly station based. We try to move you in it so if one o harris glenn stations move out we would try to optimize response time. We do that constantly.

Spelman: So primarily what's going on here is this is not going to drive our response times down so much as it's going to prevent our response times from going up because removal of the units of the county elsewhere. On the other hand, the county is going to see its response times and its performance measures get better because it's moving its units to places which are closer to where their demand is.

That's exactly right. We've had 16% improvement in response times already in just those moves.

Spelman: So I understand what's going on here. Thanks, ernie. Chief, same question.

That 91% that was discussed, we want to be able to -- first of all, we would like to continue to improve that and by increasing the staffing on individual units, that gives us -- in order to confine a fire to the room of origin, it takes a number of things. One, timely response. Number 2, adequate personnel. And then the third part, of course, is execution, the strategy and tactics that are employed and, of course, that all follows into training and practice and those kind of things. But by increasing staffing on units, that will help us keep that 91% or try to get better at that. The second part is that we're doing that 91% as mayor pro tem mentioned with less injuries and the fact that the third factor I think that falls into that is that currently we have zero fire deaths. You know, part of zero fire deaths is getting there timely, being able to put the right water on the building and confining it, and just recently there was -- and let me just give you a comparison so you can picture that today's room and contents burns hotter and faster than it has ever before and it's the use of plastics. There was a study just completed, a research study completed by underwriter laboratories and they burned two rooms side by side, they were living rooms. One is what they call the legacy room and it was the -- the sofa was cotton fabric, batting, the furniture solid room. Modern room is all the plastics. The modern room flashed over, which means fully involved, fully consumed in four minutes. The legacy room flashed, it took it 29 minutes and 25 seconds. So that's just one example of why adequate number of people, timely response and execution are so important to confining the room of origin and preventing fire fatalities.

Spelman: And having four people on a ladder truck, the unit of four works much better than three. I've seen some of the national standards comparing what three people on a truck can do compared to four or five. Five is no better than four, but four is a lot better than three.

That's correct, and that study was just released and conducted, but I think that a crew of four can be 25% for effective than a crew of three.

Spelman: Got you. Thank you, chief. Same question.

13 Of those 48 positions is 0 staffing formula that's based on the growth of the city and the population as we continue to annex other places. But this year we did start the conversation with the city manager, it's been a few years, probably about five or six years since we have looked at our staffing when it comes to investigations. And out of the remaining new positions, additional positions that are in the budget, when

they come out and beginning at the end of this year and they are done with training, we will then come back for next year's fiscal year to then take existing positions based on the data that we're gathering now to enhance our investigative capabilities. One of our challenges right now is that when we're starting to look at our caseload on our detectives, they've got a tremendous case volume and we're looking at starting to relieve that next year. By doing that, we anticipate increasing our clearance rate and bringing criminals to justice and getting them off the street before they can reoffend and it obviously will have a positive impact on crime. The other area that we want to work on is our district representatives and our community policing programs that does two things. One, it helps us problem solve and at the neighborhood level on an ongoing basis. It helps us create a point of contact and helps for the community and community members to open up lines of communications and it will help us with building the trust in those neighborhoods between the police representatives and the officers. We obviously want to increase familiarity, open communication, enhanced communication, you have a more effective police force and a safer -- will lead to a safe community. The other area we want to work on is continuing to further expand and fine tune our rapid response teams with these additional positions throughout the city. We're still hopeful to -- and we're still -- I just ran into barney and I don't know how many of you know barney is the director of cops this year. He was from pasadena so i shook him down when he was here twice this year, I want my 50 cops. So when you put all these together, we're going to be positioned with those 98 positions out of 48 to not just keep us in the top five but we're hoping to continue to drive down the crime. And we want to also work on our repeat offender and our -- our worse of the worse program by using those bodies enforcement.

Spelman: So 13 of the 48 just keeps us at 2.0.

And they are going to go straight into patrol.

Spelman: Okay. I understand exactly what's going on. The other 35, which is an increase over and above the 0, this which is a long standing standard of the city, additional 35 would go into detectives to reduce the clearance rate.

Decrease the clearance rate.

Spelman: Increase the arrest rate, got you. Do you have a sense for which detective squads and which --

well, we want to start -- I've already beefed up our robbery, we've beefed up some of our specialized units, but it's those neighborhood detectives and the detectives in the stations that we're going to be looking at increasing their -- their staffing level.

Spelman: So that's centralized detectives but the decentralized statements.

From that we'll look at the specialized units.

Spelman: Having resources , fine tuning the rapid response units, dealing with hot spots.

Yes.

Spelman: And working on repeat offenders.

Yes.

Spelman: Okay. I think I got a he knows is of it. I'll probably ask you followup questions in writing but i have a sense how this might work.

Thank you. Thank you, chief.

Mayor Leffingwell: Councilmember riley.

Riley: I just have a few questions. I'm going to start with the e.m.s. I understand that currently during peak demand times we've been taking units out -- out of their principal areas of coverage and moving them to other areas to help respond to those -- the peak demands. So that public safety commission has recommended that starting april 1st we fund a demand unit to help avoid the problems that we're experiencing with the current practice, which include things like fatigue, mileage and also leaving those principal areas of coverage exposed in the event there is a call there while they are helping meet demand in other areas. We've got issues with increased response time in their principal areas of coverage. I know that we don't currently have that demand unit in the budget and I just want to ask, does it -- does a demand unit continue to be a goal? Are we going to continue experiencing these problems as long as we don't have a demand unit?

One of the things that's happening is we've continued to increase call volume in the core areas of the city, which is the central areas. Those are areas of the busiest demand. And it covers the downtown area and all the way from u.t. South to the river and beyond. It's a large area. And because of that call volume, we need to increase the depth, the number of units that we have available. We were not able to get that moved forward in this budget but it's a need. We have a three year plan which is a living document and we adjust that periodically, but it is an absolute need and something that we need to -- although we may not be able to afford it next year, we definitely need to keep it in mind and it is something i plan to bring back to you and I'm not going to give up until I get it. It's an absolute need.

Riley: Do you have an estimate on the cost starting APRIL 1st?

Yes. If we were to do funding for about half a year, the total cost would be \$369,944.

Riley: 369. That would get vehicle and staffing.

That would get vehicle and staffing. The staffing cost for that alone is about 266,000.

Riley: Okay. Great. Okay. Chief kerr, a couple questions on fire. I appreciate that for making progress on getting four man staffing on ladder units -- four person staffing.

Riley: Sorry. My bad. But I understand that we also have three special ops rescue haz-mat units that are still at two firefighter staffing. So the public safety commission has recommended that we increase the funding to get up to four persons staffing on those units as well. Does that continue to be a goal for the department?

That is a goal and in fact was one of the things we had a brief discussion on in previous executive team meetings and we're going to continue that discussion and had originally considered asking for that even in the safer grant, but that would be an additional 30 positions to staff those three units at four people.

Riley: Okay.

But it certainly does improve -- our response improves, our capabilities and it will continue to be a goal.

Riley: With respect to the firefighter academy, you mentioned there had been some conversation about ways that we could capitalize on the successes that we have experienced with the academy and you said that conversation hasn't really gotten off the table. Could you help us understand what -- what it would take for that conversation to get a little further?

Well, it would be -- have to be part of next year's -- or the next round of contract negotiations. And -- and I think that if during this next three years remaining or three-plus years remaining, we can prove that we are still hiring high caliber, high quality, the best firefighters, then we might be able to use that as some of the equity in turn to move forward in starting an internship program next.

Riley: Okay. And then chief, turning to fire, and I just wanted to follow up with one question picking up on councilmember spelman's questions about -- about where we'll be with these 48 new officers, 13 of which are really just keeping up with population growth. And you mentioned some other things that we'll be achieving, better investigation, hopefully stepping up our district representative program. In the past we've talked about having a goal of really strengthening our community policing, and we've talked about how that's difficult to do when we're understaffed. Can you -- I appreciate what you've said about the district representative program and then how that will -- we will make some progress on that, but can you frame this in terms of where we are on our effort to really get to a full-blown community policing program? Are we still going to be struggling to have an effective community policing program.

Community policing is -- to me community policing is really a philosophy, it's an attitude and it's an attitude of service. That's the number one thing. Every officer is part of our community policing program. There's 69 -- almost 2300 combined members of this department and everyone has a spirit and attitude of service. That's the number one thing that you need to have a effective community policing because that's what leads to trust. But what we want to continue to work on and we are continuing to work on, before this meeting today I met with our explorer programs, really working in our youth programs. One of the challenges that we have is that we have a police activities league and an explorer program that basically has no funding. We beg, borrow and steal. Mayor pro tem martinez is involved with the police activities league and is run tex, but it's really we absorb the personnel hours internally, so one of the things, part of our community policing efforts with these 48 is that it gives you -- the more staffing you get over the years,

the more flexibility you have to let folks go spend time being advisers with the kids, being mentor to the kids whether it's police activities league or explorer program or midnight basketball, whatever that is. So any time you have an increase in staffing, part of what that does is helps us to instead of just doing the police boots on the ground trying to get bad guys in jail, we get to do some proactive building and nurturing and really building those relationships with those kids and planting those seeds. I'm excited our explorer program is going strong, it's getting stronger. It's been two years now, and our police activities league is going strong and getting stronger with the support and that's one of the areas that in the next few years I really want to see us expand as a police department.

Riley: So the additional 48 hours will be some help in those efforts.

Absolutely. It helps us when we get those 48 bodies and we get the -- up to speed on the 13, we end up when the explorers are going to have a competition and bring kids around or pal, we had the one-week boxing academy that I know mike martinez goes to. It's tremendous. You know, 200, 300 kids. We had in east austin at the boys club right there, we had about 300 kids go through our basketball program with pals. Then we each got a basketball, state farm is one of our partners, gave us with our core values, integrity, courage, accountable. So as we get these additional bodies, when we have these programs, we don't have just the officers assigned but field officers that can work in those neighborhoods that would normally be out there trying to catch bad guys, give them a break to spend quality, positive time with neighborhood people.

Riley: Great. Great. One last question. The public safety commission has suggested one opportunity to control costs would be partnering with travis county's starflight program for pilots, mechanics and hangaring facilities for the department's helicopter operation. Could you speak to that item and are we -- is that a suggestion that merits further --

I've had that discussion with commissioner levy on several occasions. Couple of things, when it comes to housing, I think that there's always some value in looking at opportunities to leverage the housing. We're just getting ready to enter into a contract that i think we've already signed, a lease base agreement with mercury air or which air is it? I don't remember which one out there at the airport because we got kicked out by the national guard, for housing. But in terms of co-location, that can be helpful, but starflight half the time is really at the hospital. When it comes to actually having the flat officers, the issue I have there, first of all, our operations are totally different. The aircraft used by starflight is a very expensive aircraft. The euro copter, if you look at the cost permission and the pay load capacity. The second thing we use one of our retired officers, sergeant, that comes back and flies for us at a savings. If you don't use law enforcement officers, part of the thing about the helicopter, have you to have that experience as a cop to be able to anticipate what the bad guys are going to do out there. I've had some really good interesting commissioners with commissioner levy.

We all have.

Yeah. I love him. I love the guy. But we are -- and with the -- you know, everybody always beats me up because I'm always talking about we need three stars and we are trying to look at some pots of funding at

the federal level to get us three a stars that will position us to be where we need to be in terms of air operations. And when -- if we get that, what we look forward to doing is having partnerships with law enforcement agencies in a central area. We're already the air support unit for these folks and they will help us to off set the operating costs.

Riley: Okay. Since you mention commissioner levy, there is one other question I need to ask about an issue we've been hearing about, and this may be a question for you, chief McDONALD, OR COMMANDER OR Chief kerr. It relates to emergency vehicles getting through intersections. We've had -- there's been some discussion at the public safety commission recently about improved traffic signal pre-emption devices and the need to step up our funding this that regard. Can any of you speak to that and whether we need to be addressing that in this budget cycle in?

There has been quite a bit of discussion about emergency vehicle pre-emption. There are 150 intersections throughout the city that are controlled by a pre-emption device called opti com and there is a emitter on the emergency apparatus that sends a signal and turns the signal in the direction of which the emergency vehicle is traveling. That is a tool or an addition to good policy and good procedure to working your way through traffic. As many of us know, there are sometimes -- and the reason for the motorcycles in e.m.s. Are no matter what you do with traffic signals, you are still in a gridlock position. We have convened or we're currently convening a task and fire from both the labor side and the management side to talk about where do we go from here. And along with transportation because transportation -- I'm not the expert on this, but transportation believes that the pre-emption devices and the way that we do them now are going to become a thing of the past, and it becomes more of traffic management. And I can't speak to that as the expert, but we are -- we are discussing it. I don't know that we would even be prepared to talk about the budget or the dollars that would be needed to make that work.

Riley: Okay.

From the e.m.s. has the least amount of units. So the value of each unit getting to its call is huge. And one of the things that we're experiencing especially in the downtown most congested area is that the pre-emption device will turn a light green, but there's no place for the traffic to go. So one of the issues that we need to consider as we look at this is a system that is much more intelligent than the light based system that we have right now. Something that can actually see where an emergency vehicle intends to go and can begin to clear lights in that direction so that we can relieve the congestion enough to get a vehicle through. My understanding there's new technologies now that are available. I think even made by the same company that we use now. But we need -- we really need to explore this in greater depth and something that thinks ahead of us and can work in conjunction with us rather than just respond to a light.

Riley: Okay. So that will be a continuing conversation.

And we don't have them. I don't want you to think I'm norring your question, we don't have them.

Mayor Leffingwell: Thanks a lot for your presentation. Councilmember shade.

Shade: I will be quick but this is the biggest part of our budget and I have a few comments and I've waited patiently although I'm sensitive to the time. Thank you to each and every one of our chiefs in front of us for the work that you do and for the work that your people do. -- You made a comment, Ernie about what an honor it is to be in front of us, but it is an honor to have all of you in front of us and I recognize the talent in this room and I really do appreciate it. Just a quick question. Ernie, I don't know if you can answer that off the top of your head, but what would it do in terms of revenue collection if collection changed from 50% to 55%. What is the increase mean in terms of actual dollars?

I don't have that number, but I can run some calculation for you.

Shade: Yes.

It's pretty significant pretty quickly.

Shade: I would guess so. has a strong record for generating revenue for us and not always reaping the benefits of it, you know, directly for your budget but I will work hard to get that peak demand unit. We've talked about it before, but there's one way that I would love to see us get it is just increase collections. The other thing that came up last year, and I noticed that this is one of the areas that you are cutting, but the s that you are reducing. I know that last year this is a big part of our conversation was, you know, a, how much more you can do related to community outreach. We talked about the motorcycle unit, and I'm just curious, are there some issues that we haven't yet addressed that are related to that community outreach when you reduce your community tech jobs.

For our communications position?

Shade: Yes. Are they related?

No, those are two different programs. Really what we're trying to do -- we're actually not reducing, we're moving the funds. So we're taking the funds from those two positions and using them to pay for our current schedule. I've got a plan to reevaluate at least one other program in the department and looking to see if we can actually move s that we have from one program into our communication center and actually increase the staffing over the incomes year.

Shade: Okay. And I wanted to quickly ask, related to afd, to the fire department, I just got to ask, how many phases are there to this -- there's -- you know, the gender neutral lockers, I mean are we looking at five out of five, a ten phase process? Every year we're at 6.

We are closing in. We are finishing up phase 4, entering into phase 5.

Shade: And there will only be a phase 6.

There will be a phase 6. Anything we build after this. But phase 6 is the challenging one. Those are the -- left the most challenging to last because just some of them are going to be very difficult to execute.

Shade: Maybe some of you guys who are been on here longer are used to but I was like how many phases.

Actually we would like it better if we could replace some of those stations with brand new stations.

Shade: Great. Thank you. You did talk a little about the Ibj academy and i appreciate the phasing that you are doing on that and the discussion about making sure that you can take care of the two classes that are currently in it and exploring other options might be possible. I also recognize that was a program that maybe didn't meet the needs in terms of recruitment tool but clearly had benefits from the community outreach program and much like the programs with respect to pal and midnight basketball and that sort of thing. I guess this is really more for the city manager and I'll -- but I won't ask the question, but I would really like us to look at ways we could find synergies across all of these programs that fall under youth outreach. I mean with parks department, with our social service contracts, I don't find that we're necessarily getting the best bang for our buck if we're all operating in separate silos, especially when it comes to these things. So I applaud the efforts for co-locating training but i want to encourage us to do that as well with our rec programs, and in terms of the community outreach you are doing, ernie, I think about the synergies with our contracts with meals on wheels. Not only with city government entities but the nonprofits we partner with. So I will be looking to city management as we move forward. Finally I had a question for chief aucevedo related to consolidation efforts. I'm curious how demands have been changed and how that's going, if you could tell me how that process is working. Has it changed demand? We talked about lake austin yesterday, but parks and that sort of thing.

I think the process has been outstanding in that now we have one police department with one training, one set of standards, one communications center, and so it has given us the ability to move resources quickly, to leverage and move resources in and out. I'm really proud of the fact that parks is getting ready to have the ranger program 'and running which will be a tremendous asset from a public safety and public service. So when I went through that process with the mayor and council at that time, I was very much an advocate of it and I really believe it's positioned the city to have one department for one city with one set of standards and one set of training and i think it's made it much more effective.

Shade: I appreciate that. My last question is I know that councilmember spelman talked about the statistics and how important that is and you mentioned some right off the bat and I might not have been focused in, but last year one of your goals was reduce violent crime by 1%. What did it turn out to be this year?

Right now -- last year we ended up reduced by 1% but ended up being with a slight increase. But this year, year to date we are well -- we're well over eight months into the year, we're looking really good. 5 violent crime and mike you gave the other one. We're looking good on both for this fiscal year. Fatalities are really way down and I don't want to jinx it because we're in the summer, which is not a good time for fatalities.

Shade: And we're talking traffic fatalities.

Traffic fatalities.

Shade: What was that number? 27 Down?

35 Down. 42 This time last year to 27.

Shade: Last year the goals were reducing traffic fatalities by 4% so we're --

I don't want to talk about that anymore because us a i don't want to jinx that one.

Shade: And these are not giant numbers so one or two makes a big difference but i wanted to understand that better. I do again appreciate all the work you are doing. So thank you.

Thank you.

Mayor Leffingwell: And we do still have some of the year to go because last year traffic fatalities I believe were 62, 59 the year before that and 59 the year before so we got ahead on that. Just a kick comment on the consolidation, I know we're rushed here, but the fact we're now coming forth with the park ranger program and now we're taking advantage -- I keep looking for a better word than the retread program, all of these things were contemplated at the time of consolidation. They were contemplated as being cost offsets and improvements in the overall system. The fact that we're just now hearing about them doesn't mean they weren't part of the original plan because it was.

Yes.

Mayor Leffingwell: Thank you very much.

Thank you, mayor.

Mayor Leffingwell: Now since we're running pretty far behind, we're going to go ahead and take economic growth and development and development review, a briefing from that department. And we'll see how the time goes. If there is not enough time, we're going to postpone the briefing on community services until our next work session. So welcome, everybody. The floor is yours.

Thank you very much. And thank you for allowing us the opportunity to be able to talk to you about these departments. It's really a great honor to be able to do that. Mayor, mayor pro tem, councilmember, I'm sue edwards, assistant city manager over economic development and development review. To my right is greg guernsey and to my far right is kevin johns, and there are two people I would like to also introduce. They are the financial managers for each of the departments. Lisa nichol, who is a financial manager for planning and development review, and synovva holtrob, the financial manager for economic development. They have been really the backbone of our presentation. As you know, we are here today to give you a brief presentation of the proposed budget for 2011. I will start the presentation with a discussion of some of the major accomplishments and best manage initiatives for each of the departments and following that greg and kevin will present their respective proposed budgets.

Mayor Leffingwell: Excuse me. Did you say something to me?

No, sir.

Mayor Leffingwell: Pardon me.

And this concluding my presentation.

Mayor Leffingwell: Well, you did say something. That was so quick that -- do we have any questions? All right.

I think I'll go ahead and get started and I'm going to let greg catch us up when they bring it up on the screen. With respect to major accomplishments, I think it is important to note that during the many projects that the planning and development review department staff have worked on this year, they completed a successful merger of the one stop shop and to the neighborhood planning and zoning function, integrating 250 employees into the department. Phase 1 of the comprehensive plan has been completed and phase 2 the vision and plans framework is underway. To date over 10,000 people have provided input into the comprehensive planning process. Another exciting project which you recently adopted is the waller creek master plan that entails many hours of community discussion by both business and neighborhoods, envisioning exercises that truly inspired us all. You also adopted the east riverside corridor master plan and we'll see a continuation of that planning process in 2011. Taking three years of discussion and some heated debate, both the heritage tree ordinance and the remodel ordinance were brought forward for council deliberations. Not nearly as exciting but more important to ongoing development planning and development review along with numerous other departments completed their review of the new building technical codes related to fire, plumbing, mechanical, electrical and energy regulations. In the area of economic development, the economic growth and redevelopment services offices worked to create 1,550 jobs and 9 billion in investments this year. Economic development agreements included facebook with 200 new jobs, legal zoom with 600 new jobs, samsung 500 new jobs. Since its inception, the mueller development has won numerous awards, however, the latest is I think one of the more significant. The mueller community has been designated as a lead silver certified plan by the u.s. Green building council through its leed pilot program making mueller the first community in texas to achieve this status. Among many sustainability qualities, mueller has two policeman number, two gold and two -- platinum -- and has the highest concentration of homes with three, four and five star energy efficiency certifications in austin energy's nationally recognized green building program. In other area, ergso created the see home off-site parking agreement that provides for the construction of the parking garage for the see home building and additional parking for the public. Along with music, art has become a staple in austin. Two temporary public art projects, the bait box and the mushroom grow were awarded the 2010 year-end review by the american for the arts public art network. The small business development program continues to receive awards and was recently by invitation showcased at the national league of cities. It will also be receiving harvard university's bright ideas designation with a national press release coming out in september. And finally, egrso created the music division which has had a very positive impact on its constituents. For those of you who may not be aware, the latest addition to this staff is a sound engineer that works with businesses and neighborhoods on issues related to

sound mitigation. And by the way, I think we have just very recently, like in the last few days, established a call-in number, one-stop number for complaints for the music community and the neighborhoods. Under best city managed initiatives, the city manager has challenged us to become the best managed city in the country. And we frequently ask ourselves what it takes to meet that challenge. Is it people managing other people or is it people fostering and managing ideas? We all recognize that it's not one person or a few at the top of an organization that makes the city best managed. In our case, it takes 10,000 plus employees doing the very best that they can do every day. It takes supervisors who will listen, it takes managers that care, and it takes employees with great ideas. It takes everyone being involved to become a best managed city. And so for this work group we have developed planning strategies to ensure a vibrant built environment that reflects community values. We have created cross-departmental partnerships to maximize resources, and we are continually working on enhancements to the development process. The comprehensive plan, the downtown plan and waller creek master plan I think are good models. The comprehensive plan taken as an example is a guide for the management of change, a reflection of community values and aspirations, the foundation for policies, strategies and actions, the community's to do list and a catalyst for community consensus. It will be used by the city to allocate limited resources in a sustainable manner. This we think is an example of a best managed city. Best managed cities require good communication amongst departments. The current city environment has encouraged the creation of cross-departmental partnerships to maximize resources. The waller creek master plan in conjunction with the waller creek tunnel project are examples of how future plans will be implemented by multiple city departments and community stakeholders and will use strategic public funding to leverage private investment to achieve the long-term goals of the community. Best managed cities require continual assessment of best practices. Ongoing improvements to the development process include the implementation of an electronic plan review system and a new residential review process. While the amanda system tracks the development process and work flow plans, review is still performed using hard copy documents. An electronic review system will compliment the existing system and eliminate the need for storing large sets of paper plans. It will also reduce the need for customer trips to one texas center which will in turn reduce carbon emissions. Another improvement in residential review where we view and approval of single-family residential building permits is a critical service, we are adding a technical review of the plan at the time of the permit application. It is anticipated that this additional review will reduce the number of planner roars found in the field that cause delays in construction, project redesign and additional project costs. As in the planning and development review department, egrso continues to leverage resources with pickup private partnerships. The examples being the -- and the seaholm off-site parking agreement. The city's meet the lender program. The event brings together lending organizations and small business owners to provide an opportunity for entrepreneurs to connect with potential lenders. This year attendance with a record high with 36 lenders and over 650 attendees. And as mentioned previously, this event has been designated a bright idea by harvard university. And is meant to highlight a government program that government leaders, the public and other individuals can adopt as an initiative to replicate. Egrso continues to incorporate the best research and analysis techniques for economic development incentives and is currently using the web loci model to ensure economic benefit to the model when considering incentives. And finally, egrso also ensures all master development agreements incorporate sustainable best practices such as green building, leed certification and affordable housing. Council, this concludes my part of the presentation. At this time I will turn it over to greg guernsey to continue.

Thank you, sue. Good morning, my name is greg guernsey, director of planning and development review and I'm here to present the department's 2011 budget. Our department is responsible for the planning activities, current planning, annexation, zoning, historic preservation, demographics, design services, the one stop shop that supports development consultation, review and inspection services for site plans, subdivisions and various building plan reviews or building permit review applications. The department provides services for an area over 600 square miles to a variety of customers. Property owners, renters, neighborhood organizations, environmental organizations, business owners, other city departments and other city and governmental agencies. The department also provides support for 10 boards and commissions, not including -- including additional support for various city council subcommittees and appointed subcommittees and task forces. My first slide will address the source and use of funding.

another 800,000 is being proposed reduction based on expense refunds to the drainage utility fund and also to reductions in contract yuls and commodities. Original positions I'm going to address in my next slide, our budget highlights. First I'd like to highlight our comprehensive plan. We're currently working in phase 2. The vision and framework phase of our comprehensive plan that will identify the vision for austin in 2029. The vision has been reviewed by your task force dealing with the comprehensive plan and also by your planning commission affair is scheduled for your review next week. Second, we're going to complete four pending neighborhood plans for heritage hills, windsor john's and coronado hills, and these are for the neighbors located in northeast austin. Third are the 11 positions that are proposed for next year, and these include the environmental program manager, to administrator the additional duties result be from new heritage tree ordinance. This position will have no effect on the general fund and it will be charged back to the urban force replenishment fund, which is a mitigation fund used for development and redevelopment. Three senior planners are proposed for the residential review section. One of these planners will assist with day-to-day zoning and review and the other two will work on residential reviews of applications. As sue mentioned earlier the technical reviews will help plans for building code compliance in-house to make sure that there are not errors discovered out in the field. And you may recall a little project on david street that's caused some attention. In addition, these particular positions will help review the complexed applications that are SUBJECT TO our McMansion regulations, our nccd, neighborhood conservation overlays, and the approximate 40% increase that we've had in residential remodels and additions since last year. A fourth senior planner is proposed for the urban design program to assist with the implementation of master plans and to work on the newly initiated projects, suv as the airport boulevard based code, five administrative positions are proposed next year to replace existing temporary employee positions. Four of these positions will assist customers in the critical area are permit processing in our permit centers are the total number of permits is increased by 15% over last year. Residential plan review and commercial plan review. For the other one there is support for our building inspections program. There is a new information systems and building enterprise manager that will oversee the vital upgrades for amanda permit tracking systems and the one-stop shop that includes the eventually roll-out of electronic plan review. There is one vacant engineer seat position that's proposed to be eliminated and there's \$90,000 in the reduction and contractals and commodities. Let me talk about our 2011 goals. Regarding our imagine austin comprehensive plan we are finishing the vision and plan framework later this year, and we'll initiate the final phase of the comprehensive plan early next year. The downtown plan will be brought back to you for your final consideration later this year. We're working on the regulatory plans for both waller creek and the east riverside quarter plan that will be completed next year, and we'll

set the use and site development standards to implement these plans. Staff will be working also on the new airport form-based code that will develop innovative regulations for the airport boulevard corridor. We anticipate that a new cost of service study will be done, and that will be initiated at the beginning -- or at the end of next month. Residential plan review, as I mentioned earlier, a new technical review of one and two-family residential plans being put in place, and a new submittal process for remodel and addition application that will shorten the overall wait time and our love one texas center lobby area and will also allow existing staff to assist existing customers. Phase 2 of the commercial design standards is moving forward and will address issues related to ordinance applicability, large site provisions, lighting, glazing and in particular standards that address compatibility of budding neighborhoods. We've designated specific review teams to do the review and inspection for samsung's expansion and the new formula one projects, the technical review for samsung is being completed now and it's anticipated inspections will occur in the next few months for eventually building occupancy in january of next year. Formula one is being -- will submit their plans probably in the next 30 days. This exciting project is located in territorial jurisdiction and will comply with the city's water quality standards. At this time I'd like to introduce kevin johns to my right with the economic growth and development services office to present this.

I'm sorry, but are we going to do questions at the end of both of these or because they're so totally different -- yeah, we're going to hear from kevin johns and then we'll ask questions about both topics.

Shade: okay. unless you have a burning question of clarification. their topics are so different I thought we might ask -- we'll let you get in first after me. mayor, that goes without saying.

the georgia -- with a georgia tech degree I should be able to turn this on. Thanks, greg. Good morning, I'm kevin johns, director of economic growth and development services here today to give you a briefing on the egso proposed 2011 budget. During fiscal year 2011 the city of austin economic growth and redevelopment service office will apply a concentrated effort on its to create a sustainable economy, one that embraces the vitality of austin, adapts to changing economic conditions, grows businesses, strengthens the job base, expands the tech knowledge cluster industries, and one that consist contently revitalizes our downtown and poverty redevelopment areas. The 2011 budget, the egrso operating budget is 10.2 million. The principal source is found on this first one, austin energy, is 9.9 million. As a footnote egrso projects generate \$45 million a year in austin -- to austin energy's bottom line revenues. The uses of funds pie chart breaks down the departmental projects according to the specific decisions and the budget. The economic development 8 development, includes redevelopment, dowbt downtown public private partnerships, expansion and recruitments and international economic development the the division focuses on management of the 175 million seaholm project, the second street district, miller redevelopment and potentially the waller creek redevelopment as well as working with the four chambers of commerce. The small business development program, 9 million, is a nationally recognized division which fosters job creation and supports the growth of new and existing small businesses by providing capacity building information, tools, resources and resources on business intelligence. As both -- as sue has INDICATED EARLIER, SBDs Meet the learned program was recognized by harvard as a bright idea which will be replicated nationally. Spd has been provided technical assistance to 6,000 small businesses in austin during the recession. The cultural arts division, 2 million, is responsible for four areas, managing cultural arts funding, which leverages funds from holt occupancy tarkz, the arts in public places program

and implementing the create austin cultural master plan recommendations, a blueprint for developing the city's creative landscape, which was adopted by city council in june, as well as undertaking next-level business programs to date and expand the creative industries in austin. Major deliverable includes the people's galilee and management of over 250 contracts. These deliverables provide a significant return on investment supporting business growth and branding the community for its unique cultural identity and vitality. The music division, 374,000, is a subset of the other category, listed in the pie chart along with support services. It is responsible for implementing recommendations of the live music task force. This division assists with noise mitigation as well as the implementation of live from the plaza, the music memorial, growth of the digital media industry and the austin industry incubator. The remaining category is called transfers and other requirements which include the cost of third-party contracts. Cost drivers. The overall operating budget for egrso represents a 3 million increase from the current fiscal year. This increase stems from several items, principally citywide civilian wage adjustments, chapter 380 compliance review costs and contractual increases. In addition, we will partner this year with opportunity 0 to retain, recruit and attract new businesses to austin. One other cost drivers are global commerce strategy. I w elaborate on that the next slide. Our budget highlights, we have three major highlights for fiscal year 2011. These include the global commerce initiative, a small business entrepreneurial center and an economic center fund. Trade in texas is \$190 billion a year. Austin's share is approximately 7 billion. Our goal is to attract additional percentage points to capitalize on global commerce activity. Each year or so we'll incorporate a new global commerce platform that will integrate economic development, music, cultural arts and small business development. In 2011 we'll focus on a pilot technology industry trade and investment. This is the commercial service division of great britain. In addition we'll be focusing on developing an inland port to create a distribution system for the processing of international trade. This has the potential of serving as an anchor for major job creation efforts in east austin. The inland port would capture a portion of the new cargo and trade anticipated from asia and south america. This intermodal logistics facility would serve as an airport hub for global trade in austin. Our second highlight is the establishment of an entrepreneurial center for the small business development program. The center will be dedicated to small business classes, ongoing events and various training opportunities to assist small businesses in creating new job opportunities and expanding their businesses. The center will also be used for the mayor and city council small business summit initiatives. For this summit, an interdepartmental team is being formed to review the issues collected from small business owners at the council's small business summit in early march. Each item will be analyzed by team members over the year from various departments most appropriate to address the issues raised, and recommendations will be developed for consideration by the city manager and the council. The fiscal year 11th proposes a \$1 million reserve to fund future economic development agreements. This reserve will not change the performance-based incentive model we currently use. It will provide certainty, rather, as to the level of incentive dollars available for business recruitment purposes. As with all incentive proposals a thorough analysis, including a financial analysis, will be performed to ensure that these proposals are congruent with the city's economic development policy. This reserve fund will be an important addition to austin's competitive advantage for business recruitment. Major goals in summary, egrso has significant challenges in the rapidly approaching future. An estimated 38,000 people are unemployed in austin. Poverty is very high in our minority communities. Lines of credit for local businesses is very limited. There is a 200% increase in the small business division workload due to customer demand. There are new egrso initiatives, and we're beginning the implementation of the create austin master plan. In

consideration of these challenges, we'll press forward with our major goals of creating a minimum of 500 new jobs through recruitment and expansion, creating redevelopment opportunities for the downtown master plan, completing the green water treatment plant master development agreement, creating an entrepreneurial center dedicated to small business training classes and events, implementing four new music division initiatives, laying the implementation groundwork for the create austin cultural master plan, pursuing extensive federal funding for public-private partnerships in new redevelopment areas, and lastly, coordinating with my friend greg and pdr on the waller creek redevelopment master plan. This concludes my presentation. I'm open for any questions.

Mayor Jefferingwell: okay. Thank you all. You did a real good job about outlining the difficulties, Kevin, that we face in -- with our economy and with the economic development in the future, but we've done pretty well in the past year in a very tough economy. I'd like to highlight, for example, we brought in half a dozen new companies to Austin, 1800 new jobs. Every one of those companies in a targeted industry sector, one that we've said we want to bring in here, every one of those -- I would say nearly all of them involve some kind of economic agreement with these companies, but every one of those economic agreements was positive for our taxpayers, and of course positive for our economy. And then we can't forget Samsung, which you alluded to, but pointing out that that's a 6 billion investment in improving our existing facility with 500 new jobs, and it is so far this year the biggest single corporate capital investment in the entire United States. So as I say, we've done pretty well for a priest in a small town. So congratulations on all the good work you've done. Just a quick question for development review, not a question of clarification. You spoke about the new fee for -- for the heritage tree ordinance, and that being covered out of the urban forest replenishment, my recollection is that fund is entirely made up of mitigation funds that are collected for tree removals elsewhere in the city, so I think -- I wanted to make that point clear, if I'm correct on that, that this new position, which is to preserve trees, is funded by funds paid by developers who are unable to preserve trees. So it's a very logical way to approach that. You know, I -- I guess I feel sorry for you in a way. You've got all these plans going on. Someday I'd like to see a recap of all the plans that we've got going right now. But you did mention the residential -- what I've always called residential side design standards, is one of the plans that's ongoing as a part of the provision of commercial design standards, and I would like at some point in time, not now, a follow-up on the progress of this because over the course of the last year missing that component has affected the way that the council has addressed several neighborhood plans. In other words, we're saying we do this if the residential side design standards were in place, but since they're not we're going to have to do that. So just putting in a plug for that part of it. Any other questions? You were next. You were first. Council member Shade. Thank you, first after you, of course. Thank you all. I will be quick, but I'm just curious, Greg, in the -- I was trying to compare -- and I know last year when you were here it was a -- you know, you were consolidating departments, and we had the slide that showed that we had a proposal of about 310 FTEs. So what does the total of FTEs COME TO NOW WITH WHAT You're proposing in this budget.

It's about 320 1/2.

320 1/2. Last year it was 310.

We did eliminate one position, the engineer c position, so that why it's a net gain of 10. because last year you were having to, of course, cut as most people were, but you're basically now replacing differently, but you had to let -- you had to leave some planner vacancies open. Now you're going to be filling them. That's basically -- yeah, these are -- the positions that we're actually filling are driven by the need to complete additional master plan. The two technical positions are actually new positions that we'll look at for the first time during residential review. Building code issues. Right now when somebody has a set of benefit plans come in, they go through the zoning review but they're not looking for technical things. They might get out in the field and start construction and find they don't have a railing, they don't have the right glass. And so that's more comes to the property owner, it takes more time for the contractor because then they have to go back and fix that mistake that was not caught during the plan review. So that's something new that we think will save time overall.

Shade: okay. Has the pie chart not changed dramatically, then, in terms of what you're -- i was trying to compare again last year to this year. You made a comment about the wait times would be less at the back, but I mean, is that because we're adding -- we're adding more people? no, what we're doing is taking a look at the lobby. I've gotten a lot of comments in the past year since I've been drectder of that, how much time people spend in our lobby area, and I think part of that is how we take applications in. So we're looking a at a process where we accept the application, reern having customers wait to see someone just to get their plan reviewed, and by bringing those in mainly for additions and remodels, if their applications are coming in, then other people that have general questions about permits will be seen quicker and also we'll be able to get the permits out quicker because some people are just coming in to pick up a permit. and what's the turnover been in people who work at that --

I think -- the five positions that are identified, we have temporary positions right now what we've been using, and so I think this will add some stability within the area of residential plan review, commercial plan review and the permit center, because these temporary positions are the ones that actually are the folks that are taking the applications in either by fax or they're coming in logging those in, and it's critical to have those people permanent, because i don't want to have to retrain them in six months if somebody else comes in. It adds a lot more stability, I think, to the department. So the customers that come in and the people that are working within my department are going to see those faces there for a much longer time because those are full-time positions rather than just temporary positions as they are now.

When you say a cost of service study, what is that?

The cost of service study, some of our fees go back and haven't changed since the '90s. For instance a building inspection fee, generally 23-d, and for that one inspection fee, I'll have a inspector go out, do a preliminary review of a lot, come back. If it fails on a call for a final, they'll come back -- they'll have to go out again. Well, \$23 barely pays for the gas and inspector to get out there, let alone come back and repeat that process several times. That's just one example i think where we probably need to look at some of our fees to make sure that we are charging an appropriate amount, we're being better managed with how they're spending our resources.

You mentioned a big need for the planners because the neighborhood plans and some other things. I'm curious, do you -- and i wouldn't expect you to have this today, but I mean, have we done a cost analysis on you know, how much our staff has had to change since we've done the neighborhood planning process and now what -- and so that we can take some lessons learned over these last few years before we go into the same type of thing with the comprehensive plan? I think that's probably a question I want to follow up on. I wasn't expecting any answer but I'm curious because we've been doing neighborhood plans now since about the mid-'90s -- about '97 we started. I know I was asking the general question early on how much does it cost for the neighborhood planning process since it has -- i think it was like 9 million, but that's a very general number, but we can get back with you --

shade: okay. follow I hope on that. he appreciate that. And my quick question for kevin was related to -- i was just curious about the cost associated with the 380 agreement compliance review. Can you tell me a little bit more about that?

Are you asking about -- just to make sure i understand, about the transfers and other requirements? I just didn't know, are we -- I assume that on the justification for increasing the budget here we're talking about increased needs for compliance review, I would assume that means that there are certain costs associated with making sure we're compliant on the 380.

Council, about two years ago, three -- a little other two years ago, council passed a resolution that asks us to have a third party outside consultant come in -- pardon me -- come in and also evaluate performance requirements on each one of our agreements, and so we go in and do that, and then we also have an outside company come in and do that. And as we move forward we have more -- more of those agreements, and they are -- they begin to build up. So that's the increase in cost. so with each new deal we have a new cost associated with the -- with this outside compliance. And I'm just trying to get a sense for do we have a sense for how much that is?

I can add a little bit to that. obviously some of these deals have been like \$20,000 a year, and so i wouldn't expect the compliance report to take a whole lot. But --

we can get you the figures if you'd like that. Some of them don't cost very much. Some of them are more extensive. When we first started there were -- home depot is an example, really, was somewhat reluctant, I think, to comply, and I'll put that in a more positive way. They just didn't realize how much it was going to take in terms of their time and effort to document what we were asking them to do, and so we spent a great deal of time working with them on compliance. Some of them are very easy. so the \$800,000 number is a prosecute good-sized number and so I'm just trying to get a sense for how that breaks down between global commerce strategy, opportunity austin, strategic plan and this compliance question. So if you can get me more breakdown breakdown on that I'd appreciate it. It doesn't have to be at the moment. Thank you.

Mayor? council member cole. one of the most complex, challenging things that I believe this council will have to do is deal with the financial stability of austin energy, and I know that the ebc passed a recommendation that your funding stop coming out of austin energy, and i certainly recognize the

tremendous work that you do and the return on that investment and echo all the things that mayor leffingwell has said about that job. But I would like to hear your perspective on that funding. And I believe you addressed that, kevin, at the ebc meeting -- or either of you, it doesn't matter.

One of the things that we try to remind the electric utility commission is that by our recruitment efforts, specifically bringing in the large companies, we provide a revenue stream to them, to austin energy, as well as that's a portion of the transfer that goes to the austin general fund. Last year we provided, and every year we provide, about \$45 million worth of revenue through the usage rates of the companies that we recruit, and that's one of the things that we have talked about. One of the other things that we want to share and we'll be talking about later with the euc, is the fact that there are many austin electric -- I mean, sorry, many electric utilities that have economic development divisions or companies as a portion of their funding, and the reason they do that is simply because of what you see here. \$45 Million of energy dollars that were generated by the economic development portion of that. Having said that, we understand the sensitivity of where they are coming from and the fact that they are coming up for a rate case in 2012, and we are also looking at other ways that we could possibly fund economic development, maybe shared cost, but we have not come to that conclusion yet. We're still working on that.

Cole: okay. Kevin, did you want to address that also?

Well, I think sue kind of summarized our research of the 15 top public electric utility companies in america, over half of them have major economic development divisions, which do business development for their utility companies, and austin energy -- I think we have to do a better job of educating them that the return on investment for working with egrso is 4 to 1, that the money they put in is -- generates four times that amount. It generates \$45 million a year in bottom-line electrical generation. And I'm not sure why we haven't -- you know, why it hasn't, you know, registered, but I think when you step back, and as the mayor said earlier, austin is leading the nation in economic recovery with all the different recognitions, and I think part of that has to do with the intelligent partnership between the city, austin energy, the chambers -- the four chambers of commerce and egrso. I think that is a component of why it's working so well. And so I think we just need to communicate that this is not the time to scrap that relationship, but instead to build off it, and if we can refine it, of course we would like to do that. But it's -- the major account users at austin energy are forecast to decline, so it's all the more important that egrso and the chambers work to build up that inventory. And as you probably know, as greg's office completes the redevelopment master plans, we're following up every redevelopment plan that he creates and identifying catalyst projects that we can then begin to leverage federal dollars to begin to implement, and we've identified 30 shovel-ready places in austin, plus we've gotten suggestions from you-all. Each one of those could be either a high rise or a major development that would create energy for austin energy, as well as serve our redevelopment purposes and give people jobs. So our teamwork between planning and economic development we believe is a great fit with austin energy. So I would just kind of echo sue's comments. But we've done all our due diligence with the research. I'm sure that the people who are -- the consultants who are doing the rate analysis are going to agree with us.

Cole: okay. I would just like to say that we probably need to have further discussions on this issue because we definitely need to approach it from a comprehensive perspective, and there's no question

that the economic development is critical to our financial needs of the city, and at the same time we made a commitment to renewable energy and affordability, and we have to keep that in mind as we make representations to the public. So I would like to just see us get together and talk about a long-term plan to address both issues from both departments. L you-all do that?

Absolutely.

Cole: thank you. and council member, I'd just comment that we are scheduled to go through a cost of service study at austin energy for the entire year, 2011, and that will be one of the components that's addressed there. Council member riley? just one very quick question. Greg, you mentioned the east side corridor master plan as one of the major goals for 2011. At our last council meeting council made a resolution for an accelerated process for that master plan. Is that accelerated process reflected in the budget? actually, that is being looked at right now by my department through our funding that we have in this year's budget, we think through vacancy savings, we can achieve some of that, with the assistance of possibly a consultant.

Great.

That we would hire to do very specific tasks that would assist us to implement those design standards.

Riley: okay. Great. Thanks very much. mayor pro tem. I had one question, and it's just actually for clarity. So you say that we have -- as a budget highlight, an economic incentive fund of a million dollars. What -- what I assume is that's just an estimated amount based on past practices and --

yes. so what was last year's amount that we used in totality for the year for economic incentives?

I'll have to get you that. so we're projecting in the coming year about a million dollars.

Exactly. so that's unallocated at this point. That's just what we're setting side, saying we're going to go after jobs and companies with that money?

It's my understanding from some of the questions raised in the last eight or nine months that that the mayor and city council wanted to kind of know what's the limit, and i think that's very reasonable to kind of figure out, when do you stop doing it or kind of how do you budget and prioritize. So this is our effort to try and begin to quantify that. And it would be three different departments that we would ask to chip into this.

Council, I do want to clarify something. That is a request for an allocation. If you recall, the only tool that we use right now is a chapter 380, where -- and it works when you have a big company that comes in, they build a building, we get a lot of property tax, of which we can negotiate that incentive that we return to them. When you have a small company like some of the digital companies and some of the other music types of small companies where we're trying to attract them, they move into small spaces and they are lease spaces, and so therefore they don't generate any property or sales tax, so we don't have any incentive to provide for them. So one of the things that we have talked about this past year was to create

a new fund that would be used as a second tool, a separate tool, to attract those small, creative entrepreneur-type companies that don't produce any sales or property tax, and this is one way that we would be able to do that, and we would be able to use that for small -- smaller businesses and creative sorts of companies. San Antonio has been doing this for a number of years. They allocate about \$4 million a year. That rolls over because they don't spend that much, and so they have gotten to have a fairly hefty size economic development pool, but that's what this is for. Well, actually I think they've --

I think they've used that fund, in fact, on some deals where we've been competing with them, and because we didn't have alike resource to go to, obviously we weren't as competitive in terms of incentives as they were able to be. Yeah, and I completely support this, and you kind of segued into what I was going to follow up with, and that is, how do we structure this fund so that it does get replenished over time or are we just going to consider a reallocation each and every fiscal year?

We are considering a reallocation each fiscal year. We would hope that it would gain some interest, but that's the financial -- what they do with that interest is a policy question. And so have we done any research to see if there's a model out there? So as an example, if we were to allocate 4, \$5 million from budget stabilization reserve, it's a one-time funding, but then what we do with that replenishes in terms of going out and recruiting companies. Is there a model that may exist to where you could somehow create a structure that re -- create a structure that replenished that fund so it could potentially not only refill itself but grow over time?

We'll look at that than and see. Because I would support more than a million dollars. I think a million is a good start, but I can see this rapidly depleting and --

probably Rowe probably programmatically talking about two different things. Where we use dollars and there's a return on investment, ultimately that goes back to replenish a revolving fund. This, relative to some of the deals we've done more recently, where over the course of ten years maybe we've given 2,525,000 on an annual basis, those dollars we give as an incentive and they don't come back. So replenishing in terms of the latter kind of program, that doesn't work because you're essentially granting money as an incentive, but we should investigate what you're talking about as an alternative kind of program for other kinds of economic and development opportunities that may be available to the city.

If you remember the business retention and enhancement fund, that is a revolving fund where we loan the money and then they pay it back, with interest. And so it does keep revolving. And I know that's what you're referring to, is that type of a fund. We'll look at that and see. And this, obviously, is just a thought. It's not a program, but I do want to lay this out as well. I think we should also contemplate this particular fund that right now we're just talking about in theory, incentivizing events or retaining events. I know right now, you know, the rodeo is being heavily recruited by an events center outside of the city of Austin, and that's significant economic impact to us every spring when the rodeo comes to town. And so I want us to be completely creative, not just, you know, companies and jobs but also events that have a significant economic impact to the city so that we don't lose those events.

I think that's a good point. And one of the things that here we've not talked much about in terms of how we define economic development is -- and it's key, it's a key component of it, and that is retention, you know, as a fundamental element of any strategy, and I think your comments, mayor pro tem, fall right in line with that.

Martinez: thank you.

Mayor? council member morrison. I understand we're overtime and this is going to be a little bit like speed dating, but I did want to thank you all for coming, and just to mention, I can't believe that the tv cameras left before you guys came up. This is the exciting part for sure. I do want to ask about the comprehensive plan funding. It was my understanding that 6 million total for doing the comprehensive plan, but now I see we've got 1 point 9 this year. -- 1.9 This year. Can you talk a little bit about what our overall expectation was for the funding? well, the funding has already been put in place for the comprehensive plan, and that dollar difference, I'll probably have to get back with you and to break that out.

Morrison: that's fine. And I have several other detail questions and I'm just going to submit them on-line. I think that will be fine. And with regard to egrso, just one question, sue, you mentioned that there's a new one-stop shop telephone number for issues about music and sound, and that sounds great. Can you tell me what the number is, how we'll get the number out there and what the hours would be?

I knew you were going to ask that. I just heard about it last night and I will get that out to all of you.

Morrison: okay. i think it's br 549.

974-1000. 1000, great.

We'll get it to you.

Morrison: thank you. Appreciate that. I just want to say a quick word. I think -- or do you have questions, council member spelman? Go ahead. yes, just two quick ones for greg. On page 50, you're talking about cost of service study, whatever you tell us water briefly, what the cost of service study is going to cost and how we're going to use it.

Cost of service study is probably not going to look at all our fees, probably just the ones that are most important, those fees that relate to building permits and cost of inspections, also probably looking at those general fees asso subdivisions, review, site plan review and zoning review. so the idea is we're going to feg out how much it cost to review a site plan, for example, and charge up to that amount. We'll have a better -- or to identify what those costs are. Council, if there's a fee adjustment, we might not want to charge the 100% amount to someone that's doing a residential inspection, for instance, or to -- I mean, depending on what that activity is. we need a firm evidentiary basis for making the decisions to how much we're charging rather than just pulling a number out of a hat.

Guernsey: that's correct.

Spelman: second question. This is more of a rhetorical question, I think. You're referring to formula 1 as one of your major goals for 2011. Do you know more about formula one than we do?

No, and I'll answer that for greg. We know no more than what you do or no more than what has been in the newspaper. We are hoping that within the next week or so they will submit their plans to us, their site plans to begin working on. I will tell you one thing. Last week we did have -- we put together a team to work on this specifically because we see that they're very tight deadlines, and last week that team did get together and richard suttle did bring his engineers where they shared with us their 80% construction drawings, but they also took them back. so that's as much as we know, and we're hoping as soon as we find out more information, to be able to share that with everybody. as you know, in part because there has been so much confidentiality -- because nobody knows anything about this project, because richard keeps pulling those drawings away, or threatening to shoot us if we actually keep them, that a lot of rumors have gotten around as to how much it's going to cost the city, how much of the demands on the city's treasury are going to be before this thing gets done, and the sooner we can put that out there where everybody can take a look at it, I think we can dispel all that stuff. It was just concerning, formula one is a goal. I can understand dealing with formula one as a goal appropriately is exactly what you need to do, but getting formula one in place 30 is not necessarily a goal of the city, as I understand it.

I think we're speaking of it as a goal, just in terms of what a normal submittal of a site plan and getting something done. we owe all of our citizens appropriate review of site plans and all other permits.

That's correct. thank you very much. has anybody else heard council member spelman's number? I've heard rumors. I want to go back just real quickly to mayor pro tem's discussion about replenishment of the fund. I want to make it very clear that even though there is no direct replenishment, all of the economic agreements that we do are cash positive for the taxpayers. So just because it doesn't go back into that fund, it does go back into other places that the city owns, like the general fund. And the other thing is, kevin, I just want to make sure we don't hurt anybody's feelings when you're talking about the partnership, the economic partnership members, your office and austin energy and all of the chambers, I don't want to forget that on every one of our recent economic agreements a real heavy lifting partner has been the state of texas.

Absolutely. and so we want to make sure that we don't hurt their feelings and keep them in the discussion, because basically what we've been doing is we do the work and they furnish the money, and that's the way we like it. at least so far. We are approaching our time limit. We're not going to have time to cover the community services portion of our budget briefing today. We'll pick that up at our next briefing. My apologies to bert and all the folks who were ready to go today and thanks for sitting here with us, but we'll catch up next time. And thanks very much for the briefing, and without objection, council, we stand adjourned at 12:17.

End of Council Work Session Closed Caption Log